

ABSTRACT OF THE DISCLOSURE

A defined benefit pension plan, such as a plan described in Internal Revenue Code Section 412(i), is created using variable life insurance contracts and/or variable annuity contracts. Actuarial data used to create the defined benefit pension plan is entered via at least one user interface and processed. Based on the actuarial data, a variable life insurance policy and/or a variable annuity policy is generated for the purpose of funding the defined benefit pension plan. Additionally, a separate agreement is created that either extra-contractually modifies the variable life insurance policy and/or the variable annuity policy, or defines the terms under which the variable life insurance policy and/or the variable annuity policy is to be used in the defined benefit pension plan. Thus, a mechanism is provided to avoid violation of the Internal Revenue Service "incidental benefit rule" and to provide a guaranteed rate of return such that the variable life insurance contracts and/or the variable annuity contracts can be used in a plan described in a retirement plan, including a plan described in Code section 412(i).